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FOR INFORMATION

GREETING CARD AND RELATED OPERATIONS

Provisional report for the period 1 May 1994-30 April 1995

SUMMARY

The present document presents the provisional results of the UNICEF Greeting Card and related Operations (GCO) for the year ending 30 April 1995.

Table 1 compares the 1994 provisional financial results with the 1994 budget and the 1993 actual results.

Sales of greeting cards for 1994 are projected at 158 million, an increase of 4 million cards over 1993, and gross proceeds are forecast at $148 million, an increase of $10 million (7.2 per cent) when compared to 1993.

Figures I and II compare the 1994 projected sales volume and gross proceeds by sales region with the 1993 actual results and with the 1994 budget, respectively.

For 1994, the net operating income from the sale of UNICEF greeting cards and other products is projected at $60 million and $89 million from private sector fund-raising activities. The consolidated net operating income is forecast at $142.7 million, net of expenditures of $5 million for the Fund-raising Development Programme and $1.3 million for the Central and Eastern European National Committees Development Programme.

After including an exchange rate gain of $6.5 million (estimated gain on the revaluation of GCO non-United States dollar-denominated assets and liabilities), the net consolidated income contribution to UNICEF general resources is estimated at $149.2 million, an increase of $39.0 million (35.4 per cent) over the 1994 budget and $49.8 million (50.1 per cent) higher than the 1993 actual.

* E/ICEF/1995/13.

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INTRODUCTION

1. The mandate of UNICEF Greeting Card and related Operations (GCO) comprises two income-generating areas which aim to maximize income for UNICEF programmes from the public at large. These are (a) the sale of greeting cards and other products and (b) private sector fund-raising activities.

2. The GCO provisional report for the period 1 May 1994 to 30 April 1995 is based on income estimates received as at 31 January 1995 from National Committees for UNICEF and UNICEF field offices in each of the six market regions. Expenditures are estimated for the 12-month period ending 30 April 1995.

3. The accounts for each income-generating activity are maintained separately, as presented in table 1, which shows GCO 1994 provisional results compared with the 1993 actual and the 1994 approved budget.

4. The projected net proceeds and expenditures for private sector fund-raising are shown in table 2.

5. The GCO net operating profit projected for 1994 in the present document is the same as the "1994 latest estimates" presented in the GCO work plan and proposed budget for 1995 (E/ICEF/1995/AB/L.8).

Table 1. GCO income statement for 1993 actual, 1994 budget and 1994 provisional results

(In millions of United States dollars)

	1993 actual a/	1994 budget	1994 provisional	Variance: 1994 provisional vs. 1993 actual	Variance: 1994 provisional vs. 1994 budget
Number of cards sold (millions)	154	165	158	4	-7
Gross proceeds - GCO products	138.1	157.0	148.0	9.9	-9.0
Less: Commissions (including retentions) and direct expenses at field offices	33.9	39.7	37.1	3.2	-2.6
Net proceeds	104.2	117.3	110.9	6.7	-6.4
Less: Cost of goods delivered	29.3	31.0	31.0	1.7	0.0
Operating costs b/	18.9	25.1	24.9	6.0	-0.2
Market Development Programme	-	5.0	2.5	2.5	-2.5
Add: Other income	7.4	8.6	7.5	0.1	-1.1
Net operating income - GCO products	63.4	64.8	60.0	-3.4	-4.8
Net operating income - Private sector fund-raising (table 2) c/	53.7	51.7	89.0	35.3	37.3
Less: Fund-raising Development Programme	7.0	5.0	5.0	-2.0	0.0
Other: Central and Eastern European National Committees Development Programme	-0.8	-1.3	-1.3	-0.5	0.0
Net operating income - consolidated	109.3	110.2	142.7	33.4	32.5
Less: Exchange rate adjustment	8.5	-	-6.5	-15.0	-6.5
Prior years' adjustments	1.4	-	-	-1.4	0.0
Net income - consolidated	99.4	110.2	149.2	49.8	39.0
Total expenditures (included in above statement)					
GCO products (direct expenses at field offices, cost of goods delivered and operating costs)	52.6	60.4	60.6	8.0	0.2
Market Development Programme	-	5.0	2.5	2.5	-2.5
Private sector fund-raising (operating costs and research and development)	5.5	5.3	5.3	-0.2	0.0
Private Sector Fund-raising Development Programme	7.0	5.0	5.0	-2.0	0.0
Central and Eastern European National Committees Development Programme	0.8	1.3	1.3	0.5	0.0
Total expenditures - consolidated	65.9	77.0	74.7	8.8	-2.3

a/ The 1993 figures have been restated to conform to the revised presentation of the GCO work plan and budget for 1994.

b/ This includes the total operating costs of the Product Line and Marketing Group, the Director's Office and the Operations and Finance Group.

c/ Excluding supplementary funds of $85.2 million projected for 1994 which A48compares with the 1993 actual of $40.5 million.A45

Table 2. Private sector fund-raising: income and expenditures for 1993 actual , 1994 budget and 1994 provisional results

(in millions of United States dollars)

	1993 actual	1994 budget	1994 provisional	Variance: 1994 provisional vs. 1993 actual	Variance: 1994 provisional vs. 1994 budget
Net proceeds	59.2	57.0	94.3	35.1	37.3
Less:					
Operating costs a/	4.2	4.0	4.2	0.0	0.2
Research and development costs	1.3	1.3	1.1	-0.2	-0.2
Total expenses	5.5	5.3	5.3	-0.2	0.0
Net operating income before Fund-raising Development Programme b/	53.7	51.7	89.0	35.3	37.3

a/ This represents the operating costs only of the Private Sector Fund-raising Group. No costs related to the Operations and Finance Group and the Director's Office have been allocated here.

b/ Excluding supplementary funds of $85.2 million projected for 1994 which compares with the 1993 actual of $40.5 million.

I. GREETING CARDS AND OTHER PRODUCTS

6. As a result of the sales efforts of its partners, which included a number of new initiatives, some of which were funded from the Market Development Programme (MDP), GCO, for its 1994 campaign, projects an increase of 4 million cards compared to 1993 actual. Despite the continued global recession, gross proceeds from product sales are projected at $148 million, an increase of $10 million when compared to 1993 actual, but a decrease of $9 million when compared to the 1994 budget.

A. Sales volume

7. Sales of greeting cards by region for 1994 compared with the 1993 actual sales (E/ICEF/1995/AB/L.6) are projected to increase in four out of the six regions and are shown in table 3 below.

Table 3. Sales by region: 1994 provisional results compared to 1993 actual

(In millions of cards and millions of United States dollars)

	1993 actual		1994 provisional		Variance Increase/ (decrease)	
Region	Cards sold	Amount	Cards sold	Amount	Cards sold	Amount
I. North America	13.9	13.1	14.3	14.4	0.4	1.3
II. Latin America	10.6	7.7	11.4	9.5	0.8	1.8
III. Asia	10.5	9.4	9.8	9.8	(0.7)	0.4
IV. Pacific, India and Pakistan	8.2	3.2	8.7	3.8	0.5	0.6
V. Europe	105.6	100.6	109.6	106.4	4.0	5.8
VI. Africa and the Middle East	4.9	4.1	4.6	4.1	(0.3)	0.0
Total all regions	153.7	138.1	158.4	148.0	4.7	9.9

B. Gross proceeds

8. Gross proceeds from the sale of UNICEF greeting cards and other products for 1994 are estimated at $148 million, an increase of $10 million when compared to the 1993 actual, but a decrease of $9 million when compared to the 1994 budget. The shortfall against the budget is due mainly to the lower than budgeted sales volume in two major GCO markets (Japan and the United States of America) and lower than planned gross proceeds for Europe and Africa and the Middle East.

9. Table 4 below compares the 1994 provisional sales results with the 1994 budget for the six market regions.

Table 4. Sales by region: 1994 provisional results compared to 1994 budget

(In millions of cards and millions of United States dollars)

Region	1994 budget		1994 provisional		Variance Increase/ (decrease)	
	Cards sold	Amount	Cards sold	Amount	Cards sold	Amount
I. North America	17.5	16.4	14.3	14.4	(3.2)	(2.0)
II. Latin America	11.1	8.6	11.4	9.5	0.3	.9
III. Asia	11.5	10.0	9.8	9.8	(1.7)	(.2)
IV. Pacific, India and Pakistan	9.5	4.0	8.7	3.8	(.8)	(.2)
V. Europe	110.5	112.6	109.6	106.4	(0.9)	(6.2)
VI. Africa and the Middle East	5.0	5.4	4.6	4.1	(0.4)	(1.3)
Total all regions	165.1	157.0	158.4	148.0	(6.7)	(9.0)

C. Commissions (including retentions) and direct expenses at field offices

10. For 1994, commissions, including funds retained by National Committees for UNICEF, commissions paid to consignees by field offices and direct expenses incurred at field offices, are estimated at $37.1 million, $3.2 million higher than 1993 actual, but $2.6 million lower than the 1994 budget.

D. Expenditures

Cost of goods delivered

11. In addition to the cost of goods delivered, this expenditure includes the cost of freight, duties and taxes as well as the cost of promotion materials. For 1994, these expenditures are estimated at $31.0 million, the same as the 1994 budget, but $1.7 million higher than the 1993 actual.

Operating costs

12. The operating costs charged to GCO product sales, in addition to the operating costs of the Product Line and Marketing Group, include the total costs of the Operations and Finance Group and of the Director's Office. This means that none of the support costs have been charged to the Private Sector Fund-raising Group. For 1994, operating costs are forecast at $24.9 million, $0.2 million less than the 1994 budget, but $6.0 million higher than 1993 actual.

Market Development Programme

13. In 1994, the Executive Board approved the establishment of MDP, the objective of which is to test and evaluate new income-generating initiatives for card and other product sales through a partnership with National Committees. During the first year of operation, total MDP expenses for 1994 are projected at

$2.5 million as compared to the $5.0 million approved in the 1994 budget. For a status report on the first 10 months of MDP, see annex I.

E. Other income

14. Other income for 1994, generated mainly from royalties on licensed products and revenues from the sale of National Committee products, is estimated at $7.5 million, a decrease of $1.1 million when compared to the 1994 budget, but $0.1 million higher than the 1993 actual. The shortfall against the budget is due mainly to the lower than planned royalty income.

F. Net operating income, GCO products

15. The net operating income for GCO products for 1994 is projected at $60.0 million, a decrease of $3.4 million compared with 1993 actual, and $4.8 million less than the 1994 budget. As explained in paragraph 8 above, the reduction is due to the lower than budgeted sales volume and gross proceeds in some of GCO major markets.

II. PRIVATE SECTOR FUND-RAISING

A. Net proceeds

16. As requested by the Executive Board, income from private sector fund-raising activities and related expenditures are shown separately from GCO product-related income (table 2).

17. The net proceeds from private sector fund-raising activities for 1994 are estimated at a record $94.3 million, an increase of $35.1 million when compared to 1993 actual and $37.3 million higher than the 1994 budget. In addition, $85.2 million ($40.5 million in 1993) are projected to be raised from private sector fund-raising activities and earmarked by partners for allocation to supplementary-funded projects.

B. Expenditures

18. The operating costs are only for the Private Sector Fund-raising Group. No costs related to the Operations and Finance Group and the Director's Office have been allocated to this income-generating activity. The operating costs for 1994 are estimated at $4.2 million, the same as 1993 actual, but an increase of $0.2 million when compared to the 1994 budget. Research and development costs are projected at $1.1 million, a decrease of $0.2 million when compared to the 1993 actual and the 1994 budget.

C. Net operating income

19. The estimated net operating income of $89.0 million is $35.3 million higher than the 1993 actual and $37.3 million more than the 1994 budget. These increases are due to the increased participation of National Committees and UNICEF field offices in private sector fund-raising activities and the resultant record increase in the projected net proceeds. In addition, the three-year Fund-raising Development Programme (FDP), starting in 1991, followed by its renewal by the Executive Board for another five years in 1994 (E/ICEF/1994/13, decision 1994/A/9 (C)), has resulted in an expansion of the National Committee and field office donor base, generating increased revenues for 1994/1995 and providing a sound base for sustained increases over the years to come.

D. Fund-raising Development Programme

20. To enable GCO to fulfil its mandate in private sector fund-raising activities, FDP was approved by the Board in 1991 in the amount of $12 million for a three-year period (E/ICEF/1991/15, decision 1991/35). The objective of the programme is to increase the capacity of National Committees and UNICEF field offices to build a broader support base in raising funds from the private sector (see document E/ICEF/1991/AB/L.6). Annex II provides a status report on FDP for the three-year period that ended on 30 April 1994.

21. As mentioned in paragraph 19 above, the Executive Board has extended FDP for another five years, with a budget of $5 million for 1994 (E/ICEF/1994/13, decision 1994/A/9 (C)). Expenses for the current fiscal year are estimated at $5 million. Annex II provides further details on FDP for the 10-month period ending 28 February 1995.

III. CONSOLIDATED PROVISIONAL RESULTS

A. Net operating income, consolidated

22. After taking into account the expenditures of $5 million for FDP and $1.3 million for the Central and Eastern European National Committees Development Programme, the GCO consolidated net operating income for 1993 is estimated at $142.7 million (see table 1), $33.4 million more than the 1993 actual results and $32.5 million higher than the 1994 budget. This increase is due completely to the higher net proceeds projected from private sector fund-raising activities.

B. Exchange rate adjustment

23. The exchange rate adjustment represents the net result after a 10 per cent provision for exchange rate fluctuations on outstanding non-United States dollar accounts receivable and the effect of the revaluation of non-United States dollar-denominated assets and liabilities. The projected gain of $6.5 million for 1994 compares with an unfavourable adjustment of $8.5 million for 1993.

C. Net income, consolidated

24. The net income consolidated for 1994 is estimated at $149.2 million, an increase of $49.8 million compared to 1993 actual and $39.0 million higher than the 1994 budget.

Annex I

MARKET DEVELOPMENT PROGRAMME STATUS REPORT: 1 MAY 1994-28 FEBRUARY 1995

1. At its annual session of 1994, the Executive Board approved the Market Development Programme (MDP) for a five-year period, with a budget of $5.0 million for 1994 (E/ICEF/1994/13, decision 1994/A/9). MDP was established to assist, in a cost-sharing manner, the financing of sales expansion strategies and market development tests. Thus, MDP funds provided by GCO would be matched equally by the benefiting National Committee for UNICEF. With each request for funding, a complete description of the project would be submitted to GCO for approval, along with the marketing and financial plan.

2. During 1994, a total of 16 National Committees received approval for 27 projects (see the table contained in the present annex for details). The projects funded tested sales expansion potential through the following channels: (a) UNICEF shop expansion, seven projects; (b) mail order expansion, six projects; (c) corporate sales strategies, four projects; (d) insert programmes, three projects; (e) corporate distribution partnerships, three projects; (f) single card sales test, two projects; and (g) promotional support strategies, two projects. However, one project was postponed and another was cancelled, leaving a total of 25 active projects. Progress reports on implementation from the respective National Committees are due six months from the approval date, and the final report is due 12 months from the approval date.

3. The objectives of MDP projects approved in 1994 were to achieve: (a) an increase in gross proceeds of $9.6 million; (b) an increase in card sales volume of 7.8 million cards; and (c) an increase in new customers (direct mail) (36,000 names).

4. A total of $2.5 million of MDP funds approved have been committed by GCO in 1994 and matched equally by National Committees.

5. For the 13 projects from which progress reports were due and have been received, the return on investment is 1.73 per cent. As indicated in paragraph 10 (b) of the GCO work plan and proposed budget (E/ICEF/1995/AB/L.8), more definitive results from MDP-supported campaigns will be known only on receipt of final reports for the campaign, bearing in mind that these also would be incomplete since the total benefits of MDP investments are achieved only over time (three to five years).

MARKET DEVELOPMENT PROGRAMME STATUS REPORT:
1 MAY 1994 - 28 FEBRUARY 1995

National Committee	Programme	Date of approval	Approved objectives	Amount approved: GCO portion	Approved target			Performance year-to-date		
					Gross proceeds	Cards sold	Expand mailing list	Gross proceeds	Cards sold	Expand mailing list
Australia	Corporate development programme	20/07/94	Grow corporate greeting card sales by 90 per cent over a two-year period. Raise (year one) gross proceeds of $292,000. Sell (year one) 392,380 cards. Add 890 names to the house list.	$36,500	$292,000	392,380	890	$329,771	411,430	730
Belgium	Airport shops	15/11/94	Expand sales of UNICEF cards and non-card products to an international clientele. Test viability of operating UNICEF shop within an airport environment. Incremental sales volume of a minimum of 175,000 card units and revenue of a minimum of $305,454 in year one.	$75,757	$305,454	175,000			Campaign in progress	
Belgium	Single card sales "Lanoo"	15/11/94	Launch single card sales through a distributor "Lanoo". Test viability of year-round sales of single cards. Establish sales of single cards, on a year-round basis, in 250 retail sales outlets. Incremental sales volume of a minimum of 472,500 cards and revenue of minimum $515,200 in year one.	$23,000	$515,200	472,500			Campaign in progress	
Belgium	Delhaize supermarket promotion	15/11/94	Sales hostesses will be hired to promote the sale of UNICEF cards in 126 Delhaize supermarkets. National Committee will provide training for 126 sales hostesses. Promotion to be held during two week-end periods (end November, first weekend December).	$43,451	$267,272	280,000			Campaign in progress	
Denmark	Test of a new Campaign I direct mail concept	02/03/95	Double Campaign I outreach, i.e. mailing 50,000 brochures in total compared to 24,000 in 1994 and generate 5,000 orders. Generate total card sales in campaign I of 147,500 cards. Generate a total revenue of Dkr 1,108,557, an increase of Dkr 214,500.	$14,055	$35,809	27,500			Campaign in progress	

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MARKET DEVELOPMENT PROGRAMME STATUS REPORT:
1 MAY 1994 - 28 FEBRUARY 1995

National Committee	Programme	Date of approval	Approved objectives	Amount approved: GCO portion	Approved target			Performance year-to-date		
					Gross proceeds	Cards sold	Expand mailing list	Gross proceeds	Cards sold	Expand mailing list
Finland	Direct mail campaign with Pirkka Magazine	03/11/94	Reach one half of the households in Finland with leaflet promoting sales of GCO products. Raise gross proceeds of $101,850 from this mailing. Add 5,500 names to the house list.	$12,324	$101,850		5,500	$ 67,689		2,142
Finland	Sales expansion through Neste gasoline stations	04/11/94	Test a new sales channel. Achieve incremental card sales volume of 55,200 card units and incremental revenues of $41,400.	$6,900	$41,400	55,200				
France	Business campaign telemarketing sales test	04/11/94	Increase sales to business sector by 10 per cent.	$5,150	($500,000	450,000			Campaign in progress	
France	Piggy back mailing to businesses	04/11/94	Increase sales to the business sector based on a response rate of 0.5 per cent.	$27,900					Campaign in progress	
France	French flying shops	04/11/94	Develop network of 10 temporary shops during Christmas 1994 in Paris. Shops will have a sales target of gross proceeds of $500,000 and card sales of 500,000 units.	$63,225	($500,000	500,000			Campaign in progress	
France	Television advertising campaign for greeting card sales	04/11/94	Promote awareness of sales locations and of the mail order campaign.	$111,600					Campaign in progress	
Germany	Insert programme	01/07/94	Test lower cost method of prospecting. Build house list.	$24,795	$68,294	58,000	2,000	$60,927	46,000	2,064
Germany	Self-mailer brochure	01/07/94	Minimize postal rates with new mailing piece. Lower costs of prospecting. Sell 700,000 cards through this project and add 23,400 names to house list.	$125,500	$825,882	700,000	23,400	$439,900	332,125	13,255

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MARKET DEVELOPMENT PROGRAMME STATUS REPORT:
1 MAY 1994 - 28 FEBRUARY 1995

National Committee	Programme	Date of approval	Approved objectives	Amount approved: GCO portion	Approved target			Performance-year-to-date		
					Gross proceeds	Cards sold	Expand mailing list	Gross proceeds	Cards sold	Expand mailing list
Ireland	UNICEF shop development plan	07/06/94	Open a UNICEF shop in Cork City dedicated to the sale of GCO products with projected sales of $86,620 (year one) in gross proceeds and card sales volume of 97,600 units. Build customer base for the shop through volunteer recruitment, new business through passing trade and increased profile in Cork through presence, advertising through the media and promotion through local organizations.	$16,418	$86,620	97,600		$34,906	36,000	
Italy	Media campaign for card sales	03/11/94	Back up retail sales (20,000 sales outlets, banks, post offices) and direct mail sales. Reach 1994 sales objective of 12.95 million cards, a 12.6 per cent volume increase over 1993. Diminish returns by a minimum of 700,000 cards through incremental sales volume.	$95,000	$487,000	700,000			Campaign in progress	
Netherlands	Shop expansion strategy	21/06/94	Create incremental sales income in a competitive market in which continuation of present marketing strategies would lead to stagnating or decreasing results. Increase in sales volume and gross proceeds (consumer market) by 41 per cent by 1997.	$83,000	$1,382,105			$105,882		
Netherlands	Extensive prospecting of business sector	21/06/94	Enlarge database by adding 10,000 buyer names to house list. Increase card sales volume (business market) by 12 per cent from 2,788,587 cards to 3,109,000 cards and gross proceeds by 12 per cent from $2,744,060 to $3,059,000.	$140,000	$315,789	320,856			Campaign in progress	
New Zealand	Corporate mail order launch	07/06/94	Test viability of mail order programme targeted to the business sector with a projected sales figure of $68,325 in gross proceeds and card sales volume of 81,000 units.	$7,450	$68,235	81,000		$59,250	64,236	

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MARKET DEVELOPMENT PROGRAMME STATUS REPORT:
1 MAY 1994 - 28 FEBRUARY 1995

National Committee	Programme	Date of approval	Approved objectives	Amount approved: GCO portion	Approved target			Performance-year-to-date		
					Gross proceeds	Cards sold	Expand mailing list	Gross proceeds	Cards sold	Expand mailing list
New Zealand	Church magazine insert	07/06/94	Add 4,000 new greeting card buyers to the house list through a specialized card insert placed in church magazines with a projected sales target of $46,353 in gross proceeds and sales volumes of 59,047 cards.	$8,200	$42,353	59,047	4,000	$8,176	8,905	Not reported
Spain	Red Nacional de Estancos Tabacalera	03/11/94	Increase sales distribution network by 10,000 new sales points in year one. Achieve incremental card sales volume by a minimum of 1 million cards in year one. Achieve incremental revenues of $577,600 in year one. Expand national awareness of UNICEF by reaching remote rural areas.	$94,020	$577,600	1,000,000		$776,231	1,376,517	
Sweden	Temporary sales points	04/11/94	Establish four temporary sales points, testing the viability of the concept as future marketing strategy. Generate gross proceeds from each sales point of $38,860 for a total of $155,440. Achieve sales target of 35,000 cards per location for a total of 140,000 units.	$14,400	$155,400	140,000			Campaign in progress	
Switzerland	Third mail order expansion	07/06/94	Expand the third mail order campaign increasing gross proceeds to $909,000. Decrease seasonal fluctuation. Attract a younger consumer group.	$62,000	$909,000			$922,835	160,000	
Switzerland	Single card sales programme	07/06/94	Test sales of single cards sold during a 12-month period in department stores, achieving sales of 50,000 cards and revenues of $70,000.	$20,000	$ 70,000	50,000		$20,575	15,133	
Turkey	Development of two UNICEF sales points (Ankara and Istanbul)	03/11/94	Increase direct sales and revenues. Develop cooperation with major companies and distributors. Incremental sales volume of 400,000 card units and revenues of $150,000 in year one.	$30,000	$150,000	400,000			Campaign in progress	

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MARKET DEVELOPMENT PROGRAMME STATUS REPORT:
1 MAY 1994 - 28 FEBRUARY 1995

National Committee	Programme	Date of approval	Approved objectives	Amount approved: GCO portion	Approved target			Performance-year-to-date		
					Gross proceeds	Cards sold	Expand mailing list	Gross proceeds	Cards sold	Expand mailing list
United Kingdom	Shop expansion strategy	17/08/94	Test a new concept in UNICEF shops, in a variety of locations. Generate gross proceeds, year one, of $664,000.	$200,746	$664,179			$128,095		
United Kingdom	Sales channel development	17/08/94	Develop sales expansion in mail order and business campaigns.	$64,328	$162,985			$85,216		
United States	Mail order expansion strategy Phase I Phase II	07/06/94	Increase sales through aggressive level of prospecting in both consumer and corporate mail order. Reach incremental gross proceeds (year one) of 1,088,000 from both programmes combined. Increase house list for both consumer and corporate mail order.	 $550,000 $550,000	$1,088,000		18,300	$801,000		12,600
Total				$2,505,719	$9,571,119	5,959,083	53,200	-	-	-

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Annex II

FUND-RAISING DEVELOPMENT PROGRAMME STATUS REPORT

1. As approved by the Executive Board in 1991, the first phase of the Fund-raising Development Programme (FDP) has now been completed. A total of 38 programmes in 15 countries have been supported. Thirteen National Committees for UNICEF and two field offices have benefited from the programme thus far. A total of $11.9 million has been disbursed. Details on FDP by programme for the three-year period ending 30 April 1994 are presented in table 1 of the present annex.

2. FDP has proven to be a good investment for both the present and the future private sector fund-raising campaigns of National Committees and UNICEF field offices. The investment of $11.9 million to date has resulted in an immediate return of $20.7 million for UNICEF. More importantly, a total of over 555,000 new donors to UNICEF, including some 60,000 monthly pledge donors, have been acquired, with substantially more to come. The combined value of the donors acquired so far, in terms of future net income, is estimated to be $72 million over five years and $124 million over 10 years.

3. "New donors" are donors acquired from external sources who have become first-time donors to UNICEF. New "monthly pledge donors" are donors who contribute monthly and have either been converted from existing donors or are new to UNICEF.

4. "Future net income" is estimated using projections based on known donor histories in selected countries in which UNICEF raises funds from the general public.

5. Between 1 May 1994 and 28 February 1995, a total of $4.9 million of FDP funds approved have been allocated to 10 National Committees and 6 field offices (see table 2 of the present annex for details). The anticipated return on investment from these programmes is $13.5 million.

FUND-RAISING DEVELOPMENT PROGRAMME

Table 1. Status report: 1 May 1991 - 30 April 1994

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
Australia	Integrated direct mail programme	15/11/91	Increase existing house list from 17,000 to at least 50,000 by 1995. Upgrade new and existing addresses to major donor or monthly pledge status. Increase annual direct mail income from A$250,000 to A$1.5 million per year.	$351,749	Initial objectives revised due to staff changes. Campaigns secured 8,277 new donors.	$347,281	8,277
Belgium	Direct mail premium donor acquisition campaign	20/8/92	Increase the National Committee's in-house mailing list by 12,000 donors. Achieve immediate net income of BF 1.9 million ($60,000).	$220,000	Total income was $533,000 of which 57 per cent is attributable to FDP.	$283,429	15,886
Brazil	ECO-92 direct mail donor acquisition campaign	20/8/92	Increase existing in-house list from 40,000 addresses to 55,000 addresses. Generate direct mail gross revenues of $300,000.	$135,000	Campaign generated substantial net income and 11,000 donors.	$237,645	10,980
Brazil	Direct mail premium donor acquisition campaign	20/8/92	Increase existing in-house list to 75,000 addresses. Provide a base for developing a monthly donor pledge programme in 1993. Generate direct mail gross revenues of $450,000.	$175,000	Campaign exceeded goals. Generated substantial income and new donors.	$978,000	32,002
Brazil	Direct mail donor constituency development	5/10/93	Increase the number of in-house addresses to 120,000. Achieve net income of $940,000 in the current year.	$148,000	Campaign exceeded goals. Generated substantial income and new donors.	$380,890	20,347
Finland	Donor upgrade and acquisition programme	18/2/94	Christmas mailing to 12,800 prospects (product buyers) and 47,200 members requesting a Christmas present for children in Nepal and Guinea. Thank you mailing to buyers and current donors (30,000 in March and August).	$71,652	Information to come.	$970,153	54,505

FUND-RAISING DEVELOPMENT PROGRAMME

Table 1. Status report: 1 May 1991 - 30 Apni 1994

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
France	Multimedia television and print campaign	15/11/91	Add new donors to the house list through a combination of direct mail appeals, television spots and television programme guide advertisements.	$60,000	FDP funds used as seed money to subsidize a major campaign which acquired over 100,000 new donors for the French Committee.	$141,306	2,472
Germany	Direct mail programme to acquire monthly pledge donors	15/11/91	Reach 500,000 households. Add 7,500 new donors with an estimated gross income from new donors over a four-year period of $1,871,000.	$298,000	Campaign generated 7,160 new pledge donors from the in-house list.	$311,514	4,737
Germany	Annual report direct mail campaign	15/11/91	Increase fidelty/reduce attrition rate of supporters on the house list. Reach 160,000 of the best donors with a quality annual report and encourage increased giving.	$21,000	FDP funds were used as seed money to subsidize the annual report campaign (20 per cent).	$55,411	NA
Germany	1993 pocket diary donor acquisition campaign.	26/10/92	Increase the National Committee's in-house mailing lists by 90,000+ donors. Achieve net income of $550,000 over and above the cost of the campaign.	$848,426	FDP funds were used to subsidize a $3 million acquisition campaign which added substantially to the Committee's in-house mailing list.	$971,852	109,239
Germany	1994 pocket diary prospecting campaign	29/7/93	Increase the number of addresses on the Committee's in-house list from 980,000 to 1,036,000.	$1,000,000	FDP funds covered about 29 per cent of the cost of the campaign and acquired a total of 62,934 new donors and $2.488 million has been raised.	$885,701	37,446
Germany	Pledge programme	17/2/94	Increase the number of in-house pledge donors by 4,373 from 37,600 to 42,000. Achieve gross income of DM1,002,483 in the first year; net income of DM 1,10043 will be produced during the first 24 months after the break-even is reached in 11 months.	$250,000	Although objectives were not achieved, a substantial number of new pledge donors were acquired.	$248,007	1,825

FUND-RAISING DEVELOPMENT PROGRAMME

Table 1. Status report: 1 May 1991 - 30 April 1994

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
Hong Kong	Direct mail premium donor acquisition campaign	20/8/92	Build up in-house mailing list by an additional 10,000 names.	$176,660	Campaign goals exceeded. Resulted in substantial income, new donors and valuable information about mailing lists available.	$735,665	16,000
Hong Kong	Week for China's children	9/12/93	Raise funds for the eradication of polio in China by the end of 1995. Raise awareness of continuing needs of China's children. Increase in-house supporter base from 30,000 to 33,750.	$109,314	Resulted in substantial income, new donors and valuable information about mailing lists available.	$477,085	2,424
Japan	Direct mail premium donor acquisition campaigns	26/10/92	Increase in-house mailing list by 2,750 donors at break-even cost. Test comparative strength of pocket diary and other packages for use as an annual donor acquisition programme for Japan.	$125,536	Campaign goals exceeded, bringing in substantial income, new donors and information on direct mail in Japan.	$533,884	6,600
Japan	1994 new donor acquisition campaign	9/12/93	Acquire 65,000 new individual donors to increase the in-house donor list to 200,500 new corporate donors, 10,000 new donors and generate $500,000 in additional income from newspaper support advertising in major newspapers.	$650,040	Campaign goals exceeded, bringing in substantial income, new donors and information on direct mail in Japan.	$3,854,733	68,380
Mexico	Direct mail premium donor acquisition campaign.	26/10/92	Increase in-house mailing list by 2,250 donors at break-even cost. Test a variety of commercially available mailing lists using the UNICEF pocket diary as an annual donor acquisition package.	$107,850	Campaign achieved objective and generated 2,000 new donors. Provided valuable information on direct mail potential.	$101,500	2,052
Mexico	Direct mail donor constituency development	5/10/93	Increase the number of addresses from 800 to 3,000. Achieve net income of $63,000.	$98,393	Information to come.		
Netherlands	Seven television programmes to recruit Chance for a Child monthly pledge programme sponsor.	15/11/91	Acquire between 10,000 and 20,000 new monthly pledge donors making an approximate annual gross contribution of $750,000 - $1.5 million.	$1,054,814	FDP funded 50 per cent of donor acquisition programme that acquired a total of 46,679 new donors, and $7.4 million have been remitted to date to UNICEF.	$3,048,079	23,239

FUND-RAISING DEVELOPMENT PROGRAMME

Table 1. Status report: 1 May 1991 - 30 April 1994

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
Netherlands	Chance for a child pledge programme	29/3/94	To acquire 24,000 new pledge programme donors to increase current group of active pledgers from 87,000 to 111,000. Generate $4.1 million in gross income from the first fiscal year of the programme.	$1,284,814	FDP funded 47 per cent of donor acquisition programme that acquired a total of 70,132 new donors and $3.1 million have been remitted to date to UNICEF.	$1,444,641	32,962
New Zealand	Direct mail premium donor acquisition campaign	25/8/92	Increase in-house mailing list by 3,500 names. Expand direct mail programme to include the pocket diary campaign as an annual feature.	$59,574	This campaign was a learning experience for the Committee. Provided valuable information on direct mail large roll out potential for future campaigns.	$25,960	1,893
Republic of Korea	Children's Day direct mail donor acquisition campaign	30/3/92	Build up UNICEF's in-house list of Korean donors. Test a direct mail package based on the concept that donation to UNICEF is an appropriate way to commemorate Children's Day. Add 5,000+ new addresses to the in-house list.	$95,171	Campaign generated new donors and provided valuable information about mailing lists available in the Republic of Korea.	$118,921	4,700
Republic of Korea	Thanksgiving Day direct mail donor acquisition campaign	20/8/92	Increase in-house mailing list by 5,000 new donors. Generate income exceeding campaign cost. Test a low-cost, less sophisticated package within the Thanksgiving campaign. Test an additional 20,000 addresses for roll-out in the Christmas campaign.	$133,399	Campaign goals exceeded and provided valuable information about direct mail fund-raising in the Republic of Korea.	$189,865	7,414
Republic of Korea	Direct mail premium donor acquisition campaign	26/10/92	Conduct a direct mail appeal to 500,000 prospect names and to approximately 11,000 known donors on the in-house address list. Increase in-house mailing list by 8,750 new donors. Reach break-even point for this campaign.	$343,355	Campaign goals exceeded. Generated new donors and provided valuable information about direct mail fund-raising in the Republic of Korea.	$464,361	20,180

FUND-RAISING DEVELOPMENT PROGRAMME

Table 1. Status report: 1 May 1991 - 30 April 1994

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
Republic of Korea	1993 Christmas pocket diary campaign	18/11/93	Reach out to 1.4 million on the UNICEF list. Generate 25,000 new donors.	$509,899	Campaign generated new donors and provided valuable information about address lists available in the Republic of Korea.	$485,737	2,159
Republic of Korea	1994 Children's Day acquisition direct mail campaign	29/4/94	Reach out to 585,000 selected addresses of the Committee's existing prospects list. Generate 12,000 new donors and reach break even (cost/benefit) or better. Test monthly pledge donors for additional donations.	$228,762	Campaign generated new donors and provided valuable information about address lists available in the Republic of Korea.	$219,433	6,730
Switzerland	Annual review direct mail appeal	15/11/91	Increase fidelity/reduce attrition rate of supporters on the house list. Reach 550,000 of the best donors with a quality annual report and encourage increased giving. Reduce cost of annual review by globalizing production.	$53,420	FDP funds covered about 20 per cent of the cost of the campaign.	$13,355	NA
United Kingdom	Change for Good, British Airways	18/11/93	Launch the Change for Good campaign network wide on British Airways on January 1994, following the test phase (November - December 1993).	$373,500	Campaign exceeded goals. Generated substantial income and provided valuable information on Change for Good campaign potential.	$650,036	NA
United Kingdom	UK prototype legacy marketing campaign 1993/1994	18/2/94	Roll-out to two lifestyle questionnaires to secure pledge of legacies from the public in 1994, and the successful general advertising campaign for legacy pledges in the national and regional press.	$520,500	$2.1 millions of legacy income to come in the future. Campaign generated 188 new legacy pledgers.	NA	NA
United Kingdom	1994 direct mail donor acquisition (emergency prototype)	29/4/94	Roll-out cost effective media routes to recruit new donors tested 1994. Develop a prototype strategy for donor recruitment in emergencies.	$323,450	Information to come.		

FUND-RAISING DEVELOPMENT PROGRAMME

Table 1. Status report: 1 May 1991 - 30 April 1994

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
United States	Multimedia campaign with video and telemarketing	15/11/91	Achieve a significantly higher giving level on appeals to the list of 1,850 major donors. Test the appeal with donors in the $100-$999 giving range and with major donor prospects to determine if a substantial upgrading is possible.	$100,000	The campaign was successful as it increased the response rate by more than 40 per cent and the average gift by $100. The highest response rate came from the low-end donors (those giving $250 or less); however, the gift level was much lower.	$306,250	917
United States	"Run for UNICEF" school children's collection campaign	6/3/92	Conduct a pilot programme to recruit 100 elementary schools to undertake "Run for UNICEF ". Raise the average contribution per school from $200 to $1,000. Introduce UNICEF advocacy and development education materials to schools.	$89,620	Committee learned that runs raise limited money and is now in the process of testing other approaches to find cost-effective way of recruiting schools.	$11,754	NA
United States	National UNICEF Day collection campaign (upgrading)	10/7/92	Increase the participation rate and return on investment of Halloween Trick or Treat donors. Increase the response rate and return on investment on campaigns to recruit new donors. Increase the average gift size from new and established donors.	$79,831	New approaches proved the traditional campaign method the most cost effective; however, the introduction of telephone follow-up shows great promise if conducted by Committee field staff and volunteers.	$160,208	1,276
United States	Planned giving outreach	26/10/92	Establish for UNICEF a successful planned giving programme at the Committee to increase the potential planned giving donor base and actual gifts received. Increase marketing of planned giving programmes.	$68,000	Balance for development of major donor clubs carried over to 1994. Results: 8 irrevocable gifts, totaling $117,628 acquired; 300 new planned giving inquiries, up by 290 over previous five years; and 50 notifications of inclusion in will.	NA	NA
United States	Somalia emergency direct mail donor acquisition campaign	26/10/92	To respond to UNICEF's emergency appeal for Somalia, by increasing the January 1993 prospect mail campaign by an additional 2 million pieces.	$404,000	Campaign generated new donors and income at approximately same levels as projected.	$475,925	18,440

FUND-RAISING DEVELOPMENT PROGRAMME

Table 1. Status report: 1 May 1991 - 30 April 1994

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
United States	Elimination of iodine deficiency disorders (IDD) campaign with Kiwanis International	16/12/92	Raise funds to eliminate IDD by the year 2000. By June 1994: 1) Net $2 million and receive $3 million - $5 million in pledges from Kiwanis Clubs in five districts, three in the United States; 2) Obtain active involvement of 800 clubs.	$248,300	Ongoing campaign. To date, clubs participating in campaign have generated $500,000.	$500,000	N/A
United States	Emergency appeal for Bosnia and Herzegovina and the Sudan	11/6/93	Increase the Committee's donor base by an estimated 39,600 donors. Respond to UNICEF's emergency appeal for Bosnia and Herzegovina and the Sudan.	$828,000	This FDP grant provided an important boost to the Committee's direct mail prospect programme by making available additional funds for donor acquisition, and the effect will be long lasting.	$881,604	33,600
United States	Direct mail prospect programme	18/11/93	Increase the Committee's donor base by an estimated 9,480 donors.	$250,000	This FDP grant provided an important boost to the Committee's direct mail prospect programme by making available additional funds for donor acquisition, and the effect will be long lasting.	$233,679	8,881
Total				$11,895,028		$20,743,863	555,563

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FUND-RAISING DEVELOPMENT PROGRAMME

Table 2. Status report: 1 May 1994-28 February 1995

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
Argentina	Direct mail donor constituency development 1994/1995	14/7/94	Increase the number of donors to 25,500 and generate additional income of $465,000 in 1994/1995.	$170,000	Campaign in progress.		
Belgium	Television appeal fund-raising campaign	16/2/95	Recruit new UNICEF supporters via a series of six television programmes and associated appeal for UNICEF work and convert these donors to a monthly or annual pledge programme.	$455,500			
Brazil	Direct mail donor constituency development 1994/1995	22/7/94	Increase the number of address from 102,000 to 171,000 and net income by $987,000 in 1994.	$315,000	Campaign in progress.		
Colombia	Direct mail donor constituency development 1994/1995	14/7/94	Increase the number of donors by 3,000 and increase income by $69,000 in 1994/1995.	$7,000	Campaign in progress.		
Denmark	Donor recruitment development programme 1994	1/10/94	Determine the most cost-effective media mix/creative strategy for donor recruitment: Phase Two: Implement donor recruitment across a range of media.	$174,000			
Ecuador	Direct mail donor constituency development 1994/1995	14/7/94	Increase the number of donors to 3,000 and generate additional income of $54,000 in 1994/1995.	$30,000	Campaign in progress.		
Finland	Direct mail prospecting campaign	1/10/94	Increase the Committee's active donor base from 68,000 to 85,761 by an estimated 17,761 new donors through a major prospecting campaign capitalizing on the UNICEF exposure during the country's UNICEF week in October 1994.	$201,200			

FUND-RAISING DEVELOPMENT PROGRAMME

Table 2. Status report, 1 May 1994-28 February 1995

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
Germany	Pledge programme	17/2/94	Increase the number of in-house pledge donors by 4,373 from 37,600 to 42,000. Achieve gross income of DM1,002,483 in the first year; net income of DM 1,10043 will be produced during the first 24 months after the break-even is reached in 11 months.	$282,000	Campaign in progress.		
Germany	Pocket diary prospecting campaign, Autumn 1994	21/7/94	Increase donor base from 900,000 to 941,500 by an estimated 41,464 new donors through a major prospecting campaign using the UNICEF pocket diary 1995 as the main incentive.	$718,000	Possibility to fund the additional $483,735 to cover the entire campaign will be decided after the review of availability of FDP funds, which is due to take place in March/April 1995.		
Hong Kong	Children in war	18/5/94	Stimulate the public's concern and create greater understanding of the effects of war on the lives of children. Raise $350,000 for UNICEF general resources. Increase 6,000 in-house list.	$151,000	Fund raised a total donation amount of HK$4,405,368 from both direct mail and printed ad appeals. Approximately 4,249 new donors have been generated.	$462,432	4,249
Japan	Winter 1994 new donor acquisition campaign	19/12/94	Generate over 150,000 new donors for the house mailing list. Raise over $5 million net for general resources. Support Committee's direct mail outreach by placing support advertisements in the press and increase awareness of UNICEF mission and programme.	$750,000			
Mexico	Direct mail donor constituency development 1994/1995	14/7/94	Increase the number of donors by 5,400 and increase income by $243,000 in 1994/1995	$45,000	Campaign in progress.		
New Zealand	Donor acquisition programme 1994-1995	14/7/94	Secure 7,700 new donors and increase the house list from 8,500 to 16,200 donors.	$147,330	Campaign in progress.		

FUND-RAISING DEVELOPMENT PROGRAMME

Table 2. Status report: 1 May 1994-28 February 1995

Country	Programme	Date of approval	Approved objectives	Total spent	Result/comments	Immediate gross proceeds to UNICEF	New donors directly attributable to FDP funding
Spain	Donor acquisition programme	18/5/94	Attain 6,500 new donors and raise $461,000.	$235,000	Campaign in progress.		
United Kingdom	1994 direct mail donor acquisition (emergency prototype)	29/4/94	Roll-out cost-effective media routes to recruit new donors tested 1994. Develop a prototype strategy for donor recruitment in emergencies.	$129,775	Campaign in progress.		
United States	1994-1995 direct mail prospect programme	21/7/94	Increase the Committee's donor base by an estimated 45,050 donors from 575,000 to 620,050 and expand the Committee's base of donors who can be upgraded via multiple appeals and recruitment into the pledge programme.	$1,000,000	Possiblility to fund the additional $113,000 to cover the entire campaign will be decided after the review of availability of FDP funds, which is due to take place in March/April 1995.		
Venezuela	Direct mail donor constituency development 1994/1995	14/7/94	Increase the number of donors by 3,000 and increase income by $69,000 in 1994/1995.	$75,000	Campaign in progress.		
Total				$4,885,805		$462,432	4,249